



SPECIALIST  
PROFESSIONAL  
INDEMNITY  
INSURANCE



# THE WIRE

April 2017

## Welcome to this special **Australian edition** of The Wire

ITIC has been providing Professional Indemnity insurance to the Australian market for over 20 years, with ITIC policies now being underwritten via a fellow Thomas Miller managed company, the TT Club, who are an A-rated licensed Australian insurer. Australia is ITIC's 3rd largest market, in terms of number of Members.

**Australian  
Members**

# 156

## Insurance brokers and ITIC

**ITIC, through the TT Club, provides professional indemnity insurance for a wide range of activities in the transport industry. The following is a brief guide for insurance brokers as to what information ITIC needs to be able to assess and quote on a risk.**

### What ITIC looks for:

#### **Proposal forms and CVs**

As an insurer of liabilities arising out of the mistakes made by an individual, when assessing whether to offer a quotation for insurance, we need to be able to form a view as to the professionalism of your client. Our first impression will often be through a completed proposal form or questionnaire. A neat and well-presented proposal, with complete answers, can often be a strong indicator as to the standards set by the individual or company seeking insurance and, ultimately, whether we are able to provide a quotation.

We will always ask to see the CVs or brief details as to the experience of the individuals performing the services for which insurance is being sought.

[Continued overleaf >](#)

ITIC  
IS MANAGED  
BY **THOMAS  
MILLER**



## Insurance brokers and ITIC (continued)

### Surveying

Many surveying companies in Australia undertake pre-purchase surveys on yachts or pleasure craft. Dealing with members of the public can be fraught with difficulties. To consider quoting for this activity we will need to see a copy of the surveyor's standard trading conditions. ITIC works closely with the Australasian Institute of Marine Surveyors (AIMS), providing loss prevention advice and presentations to the membership.

### Warranty surveyors

Due to previous claims experience, cover is restricted.

### Naval architecture and consultancy

For companies involved in naval architecture and marine engineering consultancy, we need to determine how much "hands on" work is being undertaken. The professional indemnity aspect to be covered is the designing and consulting activity. If the business is providing a service which includes designing, consulting, building and installation it is often difficult to determine the income derived solely from the professional indemnity exposure.

ITIC's Rules contain a "product liability" exclusion which applies to claims arising out of any building, construction or maintenance services.

### Offshore

ITIC provides insurance for companies operating within the offshore industry, including offshore consultants and hydrographic surveyors. This has been a rapidly growing area of insurance for ITIC and one in which we have unrivalled knowledge and experience. Being a corporate member of the Australasian Hydrographic Society (AHS), ITIC sponsors events all over Australia and provides articles for publications.

Where your clients are involved in the oil and gas industry we will generally ask to see copies of their contracts and we may ask further questions.

### Aviation

If you have an aviation risk then we would recommend you view ITIC's website and aviation specific proposal forms for more detail ([www.itic-insure.com/proposal-forms/aviation/](http://www.itic-insure.com/proposal-forms/aviation/)). Examples of the type of aviation companies ITIC can provide cover for include: aviation designers, consultants, assessors of air craft maintenance, management of planes and planning and development of airfield runway design.

### Rail

ITIC has been providing professional indemnity insurance to the rail industry for over 10 years. ITIC can cover companies

involved in design, consultancy, surveying or signalling testing, as well as those undertaking safety training and assessment or verification work relating to the rail industry.

## What insurance brokers should know:

### Claims made

Professional indemnity cover is provided on a claims made basis. This means that the trigger for cover under the policy is the date that the claim is notified to the insurer. For cover to respond, the claim must be notified to the insurer during the period of cover. Unless run-off cover is purchased, the insurance will not respond to claims brought after cover ceases, regardless of whether the act or omission giving rise to the claim occurred during the period of insurance.

### Jurisdiction

Where is your client operating? While some alternative professional indemnity policies have exclusions for activities undertaken in the USA or Canada, or in respect of claims brought in these areas, **ITIC's Rules have no geographic exclusions.** If your client provides services to American clients, for example, they would be wise to buy a professional indemnity policy that will respond to claims brought against them in the US courts.

### Insurance policy review

You will need to ask what policies your client has in place to ensure that there is no duplication. If your client is part of a larger group of companies, they may already have a global professional indemnity policy in place.

### Continuity Credit

ITIC is providing a continuity credit to all those members who renew their insurance cover during the 2016 policy year, which begins on June 1, 2016. This is the 21st year of ITIC's continuity credits. Stuart Munro, CEO, explains, "ITIC's board of directors is committed to reducing insurance costs wherever possible. The ongoing worldwide economic downturn, together with fiercely competitive conditions in the shipping and transportation sector, continues to make life very difficult for our members. One of the great strengths of a mutual insurer is the fact that the surpluses accrue to the membership, rather than to third-party shareholders. Therefore, ITIC has decided to pay a continuity credit of up to 17.5% of the annual premium for yet another year in recognition of the outstanding loyalty shown by its members. Loyalty, after all, works both ways."





# Thomas Miller Sydney – Meet the Team

Thomas Miller Sydney was Thomas Miller's first office outside London and was opened in 1976. It provides commercial correspondence services for the UK P&I Club in Australia and manages TT Club's business for Australia, New Zealand and the Pacific Islands. The Sydney office has been involved with ITIC since 1995 during which time it has assisted in claims on behalf of ship agents, marine surveyors, ship brokers and naval architects. The Sydney office is active in supporting ITIC business in Australia through industry bodies, in particular SAL (Shipping Australia).

## **Christopher Dent – Underwriting**

Chris joined the Thomas Miller London office in 1996 initially working for the UK P&I Club personal injury claims syndicate before moving across to the TT Club in 2001. He is now based in the Sydney office, dealing predominately with underwriting issues for the TT Club and ITIC in Australia, New Zealand and the Pacific Islands. Chris has a BSc in Maritime Business and Law as well as several years' experience working at sea on deep sea commercial fishing vessels.

## **Claire Gorman – Underwriting**

Claire is an Underwriter predominately underwriting risks in the Asia Pacific region. Claire joined TT Club in February 2008 and is a Senior Associate CIP of ANZIIF.

## **Laurel Hertel – Claims**

Lauren is a qualified solicitor and worked in private practice as a marine and general insurance lawyer before joining Thomas Miller's Sydney office in 2016. Prior to qualifying as a solicitor, Lauren worked in the property and liability claims department for an Australian insurance company.

## **Marcus John – Managing Director**

Marcus qualified as a solicitor in the UK and practised as a marine lawyer in London, and in Sydney. He joined Thomas Miller's Sydney office in 1995 working for the UK P&I Club, TT Club and ITIC. He was made a Director of Thomas Miller in 1998 and manages the Sydney office, responsible for Thomas Miller's Australasian business.

## **Rhys Richards – Underwriting**

Rhys trained as a P&I Underwriter in London from 2011, moving to Sydney in 2014 to continue his Underwriting career. In July 2016 Rhys joined the Underwriting team in TT Club's Sydney office.

## **ITIC Account Executives – London based**

### **Robert Sniffen** Senior account executive

Robert is the Underwriter for Australia and has been working in the Australian professional indemnity insurance market for over six years. He joined ITIC in February 2001 and has over 14 years' experience working within the insurance market.

### **Tom Irving** Director

Tom joined ITIC as an account executive in 2011 having spent three years in Thomas Miller's Sydney office. He is a New Zealand and Australian qualified lawyer. During his time in Sydney, Tom handled a wide range of property and liability claims for the TT Club's Australasian members. He is now the Claims Handler for Australia and is responsible for the marine claims professionals sector of the Membership.

# ITIC third party cyber liability endorsement

Press stories of attacks by hackers are increasingly common but the reported victims are often well-known companies that hold large amounts of credit card and other sensitive personal data.

**Although it may sometimes be difficult to see the relevance of these stories to your company, the use of information technology and electronic communication is a central feature of the activities carried out by ITIC's members. Any business can be the subject of an attack by hackers.**

ITIC as a professional indemnity insurer has always provided cover for damage arising from the loss of or damage to computer records in the members' custody and that remains the case.

The threat that has emerged is from third parties misusing your system to cause damage to data held by someone else. Liner agents, for example, exchange large amounts of information both with the line and the port. Hacking into systems operated by such service providers can be used by criminals as a gateway to gain access to both the port and lines systems.

## Cover

ITIC has therefore developed an extension to its existing cover. The policy will protect against liabilities arising from the unauthorised use of your computer network.

## This insures:

- Computers operated by you along with any software and peripheral devices that are necessary to make the computers function including servers, networking equipment and data storage devices.
- Acts by people who gain access to your computer network without your permission or people who were granted access for a legitimate purpose but misuse that access to cause harm.
- Your liability to pay compensation to a third party damaged by the unauthorised use of your computer network and all associated legal and experts costs incurred by you.

## Claims examples

The following claims examples are provided to illustrate how ITIC's third-party cyber liability insurance could benefit you as a member of ITIC.

- Hackers use a liner agents system to obtain the release of cargo which they then steal. In covering their tracks the hackers destroy all data relating to rates, container numbers and date and place of loading.
- A shipbroker's computer system is accessed by fraudsters who use it to send messages to charterers altering the banking details for hire payments.
- Malware inserted onto a ship manager's network disrupts operation of the ship causing claims for delay.

## Further information

The above policy highlights and claims examples are illustrations only. For a full description of the terms and scope of ITIC's third-party cyber liability insurance, please read the simple two-page insurance policy available from ITIC's website <http://www.itic-insure.com/cover/additional-products/>

If you would like a quotation for ITIC's third-party cyber liability insurance, please contact your insurance broker or your underwriter an ITIC.

**ITIC's cyber insurance is for third party liability only. It does not insure claims arising from privacy or regulatory liability. Cyber risks can also include business interruption exposures. If you require insurance for these risks, ITIC can refer you to TM Specialty Cyber Risk, or you can call Alan Dainty on +44 (0)20 7283 1227.**

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ITIC  
IS MANAGED  
BY **THOMAS  
MILLER**

For further information on any of the products, services or cover provided by ITIC contact Charlotte Kirk at:  
International Transport Intermediaries Club Ltd, 90 Fenchurch Street, London EC3M 4ST.  
tel + 44 (0)20 7338 0150 fax + 44 (0)20 7338 0151 e-mail [ITIC@thomasml.com](mailto:ITIC@thomasml.com) web [www.itic-insure.com](http://www.itic-insure.com)  
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